

Message Text

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17

ACTION EB-07

INFO OCT-01 EA-07 NEA-10 ISO-00 AGR-05 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01

FRB-03 OMB-01 L-03 PA-01 PRS-01 USIA-06 INT-05 /068 W

----- 038556

R 080605Z MAR 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3079

INFO AMEMBASSY BANGKOK

AMEMBASSY COLOMBO

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL MEDAN

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E.O. 11652: N/A

TAGS: ETRD, EPAP, ID

SUBJECT: PROGRESS IN ANRPC PRICE STABILIZATION SCHEME

AND IN CONSULTATIONS BETWEEN ASEAN RUBBER PRODUCERS

AND JAPAN ON SYNTHETIC/NATURAL RUBBER MARKET RELATIONSHIPS:

AND INDONESIAN VIEW

REFS: (A) STATE 048719, (B) KUALA LUMPUR 1098

1. SUMMARY: INDONESIAN EXPECT AGREEMENT ON ANRPC PRICE-STABILIZATION SCHEME TO BE REACHED AT KL MEETING LATER THIS MONTH AND RATIFIED AT SUBSEQUENT MEETINGS. THEY CONSIDER PROGRESS HAS BEEN MADE TOWARD DISCOURAGING NEW JAPANESE INVESTMENT IN SYNTHETIC RUBBER MANUFACTURING CAPACITY. END SUMMARY.

2. INDONESIA TO BE REPRESENTED AT INFORMAL ANRPC MEETING IN KL 24-26 MARCH BY DIRECTOR GENERAL FOREIGN TRADE DR. SUHADI
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MANGKUSUWONDO OR POSSIBLY BY HIS DIRECTOR STANDARDIZATION

AND EXPORT QUALITY CONTROL KAMARULZAMAN ALGAMAR. IN CONVERSATION WITH EMBOFF 4 MARCH LATTER SAID GOI PROBLEMS WITH DRAFT PRICE-STABILIZATION AGREEMENT HAVE BEEN RESOLVED BY CORRESPONDENCE SINCE LAST MEETING IN BANGKOK WITH EXCEPTION "ONE OR TWO SMALL QUESTION OF INTERPRETATION." INDONESIANS EXPECT AGREEMENT TO BE CONCLUDED IN KL. HOWEVER ALGAMAR DID NOT EXPECT TEXT TO BE RELEASED FOR STUDY BY OUTSIDERS UNTIL AFTER EXECUTIVE COMMITTEE HAS EXAMINED IT IN APRIL MEETING, OR PERHAPS AFTER MINISTERIAL MEETING TO FOLLOW, IN SRI LANKA.

3. ALGAMAR DID NOT SHARE NOTION EXPRESSED TO EMBOFF BY TRADE SOURCE THAT RECENT RUBBER PRICE RALLY MIGHT LESSEN INCENTIVE FOR RUBBER-PRODUCING COUNTRIES TO CONCLUDE THEIR STABILIZATION SCHEME. HE STRESSED IN FACT THAT STABILIZATION MEANS CURBING FLUCTUATIONS ON THE UPSWING AS WELL AS THE DOWN, AND THAT THIS MUST BE SO IN ORDER TO WIN COOPERATION OF CONSUMING COUNTRIES. PRODUCERS COULD NOT IN ANY CASE INCREASE PRICES WITH IMPUNITY IN FACE OF COMPETITION FROM SYNTHETIC, HE SAID. PRICE OBJECTIVE OF SCHEME WILL BE ONE ACCEPTABLE TO BOTH PRODUCERS AND CONSUMERS. ASKED WHAT INDUCEMENTS WOULD BE OFFERED FOR CONSUMING-COUNTRY SUPPORT OF SCHEME ALGAMAR SAID THAT, IN ADDITION TO STABILIZATION BENEFITS ACCRUING TO CONSUMERS WHETHER OR NOT ASSOCIATED WITH STABILIZATION SCHEME, ASSOCIATED CONSUMING COUNTRIES WOULD HAVE ADVANTAGE OF "KNOWING WHAT IS GOING ON" IN ADMINISTRATION OF STABILIZATION SCHEME.

4. ALGAMAR SAID ASEAN CONSULTATIONS WITH JAPANESE HAD MADE SOME PROGRESS TOWARD CONVINCING LATTER OF CASE FOR RESTRaining INVESTMENT IN SYNTHETIC RUBBER MANUFACTURING. ARGUMENT HAS BEEN THAT JAPAN INC. HAS INTEREST IN WELFARE OF ASEAN MASSES WHO IN PROSPEROUS TIMES "CAN BUY JAPANESE RADIOS." ASEAN DOES NOT ARGUE AGAINST JAPANESE SYNTHETIC PRODUCTION FOR OWN MARKET, HE SAID, BUT FOR EXPORT. JAPANESE HAVE SENT ONE PRIVATE-SECTOR AND ONE OFFICIAL MISSION TO DISCUSS WITH ASEAN MEMBERS, AND ASEAN REPS ARE CURRENTLY VISITING JAPAN FOR FURTHER DISCUSSION. HE SAID ASEAN OBJECTIVES ARE HELPED BY PRICE INCREASE IN FEED-STOCK FOR SYNTHETIC. WHEN ASKED WHETHER PROGRESS IN NR LIMITED OFFICIAL USE

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PRICE STABILIZATION DISCUSSIONS WOULD EFFECTIVELY DISCOURAGE NEW JAPANESE INVESTMENT IN SYNTHETIC MANUFACTURING, HE REPLIED OPTIMISTICALLY BUT A TRIFLE VAGUELY.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
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Errors: N/A
Film Number: D760086-1066
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Margaret P. Grafeld
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